

Message Text

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REF: A. STATE 185843; B. MBABANE 1792

1. WHILE THE LANGUAGE OF PARA 2 OF REF A IS IMPRECISE, I DO NOT AGREE WITH ITS IMPLICATIONS IN TERMS OF DISTRIBUTION OF AID RESOURCES AMONG THE BLS COUNTRIES:

A. AS LESOTHO AND BOTSWANA CLASSIFIED AS RLDC'S AND SWAZILAND GIVEN HONORARY RLDC CLASSIFICATION, CANNOT SEE ANY REASON FOR A PRIORI FORMULA FOR ALLOCATION OF RESOURCES, PARTICULARLY IF THERE ARE APPARENT UNDERTAKINGS FOR WHICH U.S. HELP IS DESIRED AND SUCH ASSISTANCE COINCIDES WITH APPROVED ASSISTANCE STRATEGY. FURTHERMORE, GIVEN EXISTING POLICY THAT NOT ONLY IS SOME EMPHASIS TO BE ACCORDED THE BLS COUNTRIES BECAUSE OF THEIR PARTICULAR SITUATION BUT ALSO THAT EMPHASIS IS TO BE ACCORDED THE RLDC'S AS WELL, IT WOULD APPEAR MORE REASONABLE TO BASE THE DISTRIBUTION OF ASSISTANCE ON THE PRINCIPLE OF EQUAL ACCESS TO AID RESOURCES FOR PROPOSALS WHICH HAVE INTRINSIC MERIT IN TERMS OF AID POLICY AND WHICH HOLD SIGNIFICANT PROMISE OF CONTRIBUTING TO DEVELOPMENT OF A VIABLE ECONOMY IN THE COUNTRY CONCERNED.

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B. IT APPEARS THAT THE IMPLICATION OF PARA 2 REF A IS THAT THE AMOUNTS OF ASSISTANCE TO BOTSWANA AND SWAZILAND MUST BE RELATED TO OR WILL BE DEPENDENT UPON THE LEVEL OF AID TO LESOTHO EVEN THOUGH IT IS RECOGNIZED THAT BECAUSE OF A NUMBER OF FACTORS LESOTHO HAS THE MORE LIMITED CAPABILITY OF ABSORBING AID. TO USE THE LEAST COMMON DENOMINATOR AS THE DETERMINING FACTOR IN THE EQUATION FOR ESTABLISHING THE ASSISTANCE LEVELS FOR BOTSWANA AND SWAZILAND RUNS THE RISK OF PENALIZING THEM SEVERELY. I DO NOT BY THIS OBSERVATION IMPLY ANY DISAGREEMENT WITH THE IMPORTANCE OF A CONCERTED EFFORT TO IDENTIFY SIGNIFICANT AND MORE EFFECTIVE PROGRAMS OF ASSISTANCE FOR LESOTHO.

C. IN THE CASE OF SWAZILAND, AS INDICATED IN REF B. EXPERIENCE WITH ONE STUDY PROPOSAL SHOULD NOT COLOR OR OVERLY INFLUENCE OUR POSTURE ON PROVIDING AID. WE SHOULD BE MORE CONCERNED WITH THE DEVELOPMENTAL EFFECT OF BASIC ECONOMIC AND POLITICAL POLICY, THE EFFECTIVENESS OF THE ALLOCATION OF DOMESTIC RESOURCES FOR DEVELOPMENTAL PURPOSES AS OPPOSED TO POSSIBLE DISSIPATION FOR UNPRODUCTIVE USES, AND FINALLY ON THE MERITS OF NEW PROPOSALS IN TERMS OF THEIR DEVELOPMENTAL IMPACT.

D. ALTHOUGH BOTSWANA HAS BEEN THE LARGEST RECIPIENT OF U.S. ASSISTANCE IN COMBINED GRANT/LOAN DOLLAR TERMS, THIS IS SOLELY DUE TO TWO PROJECTS (I.E. BOT-ZAM AND SHASHE) WHOSE IMPACT IN TERMS CURRENT AID EMPHASIS IS BOTH INDIRECT AND LONG-TERM. THE COUNTRY SHOULD NOT BE PRECLUDED FROM FURTHER AID ASSISTANCE ON THE BASIS OF A QUESTIONABLE PRINCIPLE OF ALLOCATING FUTURE AID ON BASIS OF EQUALIZING TOTAL ASSISTANCE FROM THE U.S. NOR SHOULD BOTSWANA BE PENALIZED AS A RESULT OF ITS ABILITY TO ATTRACT ASSISTANCE FROM A LARGER RANGE OF OTHER DONORS. THIS WOULD BE TANTAMOUNT TO SAYING THAT WE WOULD NOT ASSIST COUNTRIES WHICH MOST NEARLY MEET OUR CRITERIA FOR ASSISTANCE IF BY DOING SO THEY ALSO ARE MORE ATTRACTIVE TO OTHER DONORS. SUCH AN APPROACH WOULD APPEAR TO BE INCONSISTENT AND IN THE END A SELF-DIVESTING POLICY.

2. IN SUMMARY, IT IS MY STRONGLY HELD VIEW THAT THE ESTABLISHMENT OF THE ARBITRARY PRINCIPLE THAT EQUAL LEVELS OF ASSISTANCE LIMITED OFFICIAL USE

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WILL BE PROVIDED THE BLS STATES SERVES NO MEANINGFUL PURPOSE AND COULD ACT AS A BARRIER, IF ENFORCED, TO PROVIDING AID TO WORTHWHILE DEVELOPMENT ACTIVITIES. WHILE WE SEEK TO BE EVEN HANDED, OUR RESPONSE MUST BE CONDITIONED ON THE AVAILABILITY OF VIABLE PROJECTS INCLUDING THE RECIPIENT GOVERNMENT'S COMMITMENT OF FUNDS, PERSONNEL, ETC. IT IS ONLY NATURAL, THEREFORE, THAT THERE MAY BE A DISPARITY BETWEEN THE LEVEL OF AID RECEIPTS OVER ANY SHORT-TERM TIME

SPAN. IN ASSUME THE PRECEDING POSITION IS AN ACCEPTABLE BASIS
FOR FUTURE PLANNING, PROJECTIONS AND OPERATIONS IN THE AREA
OF U.S. ECONOMIC ASSISTANCE. NELSON

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